

House File 605 - Introduced

HOUSE FILE _____
BY WAGNER

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act making the services of certain executive search agencies
2 and private employment agencies exempt from the sales tax and
3 including effective and retroactive applicability date
4 provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
6 TLSB 2323YH 83
7 tw/mg:sc/5

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1 1 Section 1. Section 423.2, subsection 6, Code 2009, is
1 2 amended to read as follows:
1 3 6. a. The sales price of any of the following enumerated
1 4 services is subject to the tax imposed by subsection 5:
1 5 alteration and garment repair; armored car; vehicle repair;
1 6 battery, tire, and allied; investment counseling; service
1 7 charges of all financial institutions; barber and beauty; boat
1 8 repair; vehicle wash and wax; campgrounds; carpentry; roof,
1 9 shingle, and glass repair; dance schools and dance studios;
1 10 dating services; dry cleaning, pressing, dyeing, and
1 11 laundering; electrical and electronic repair and installation;
1 12 excavating and grading; farm implement repair of all kinds;
1 13 flying service; furniture, rug, carpet, and upholstery repair
1 14 and cleaning; fur storage and repair; golf and country clubs
1 15 and all commercial recreation; gun and camera repair; house
1 16 and building moving; household appliance, television, and
1 17 radio repair; janitorial and building maintenance or cleaning;
1 18 jewelry and watch repair; lawn care, landscaping, and tree
1 19 trimming and removal; limousine service, including driver;
1 20 machine operator; machine repair of all kinds; motor repair;
1 21 motorcycle, scooter, and bicycle repair; oilers and
1 22 lubricators; office and business machine repair; painting,
1 23 papering, and interior decorating; parking facilities; pay
1 24 television; pet grooming; pipe fitting and plumbing; wood
1 25 preparation; ~~executive search agencies; private employment~~
~~1 26 agencies, excluding services for placing a person in~~
~~1 27 employment where the principal place of employment of that~~
~~1 28 person is to be located outside of the state; reflexology;~~
1 29 security and detective services; sewage services for
1 30 nonresidential commercial operations; sewing and stitching;
1 31 shoe repair and shoeshine; sign construction and installation;
1 32 storage of household goods, mini-storage, and warehousing of
1 33 raw agricultural products; swimming pool cleaning and
1 34 maintenance; tanning beds or salons; taxidermy services;
1 35 telephone answering service; test laboratories, including
2 1 mobile testing laboratories and field testing by testing
2 2 laboratories, and excluding tests on humans or animals;
2 3 termite, bug, roach, and pest eradicators; tin and sheet metal
2 4 repair; transportation service consisting of the rental of
2 5 recreational vehicles or recreational boats, or the rental of
2 6 motor vehicles subject to registration which are registered
2 7 for a gross weight of thirteen tons or less for a period of
2 8 sixty days or less, or the rental of aircraft for a period of
2 9 sixty days or less; Turkish baths, massage, and reducing
2 10 salons, excluding services provided by massage therapists
2 11 licensed under chapter 152C; water conditioning and softening;
2 12 weighing; welding; well drilling; wrapping, packing, and
2 13 packaging of merchandise other than processed meat, fish,
2 14 fowl, and vegetables; wrecking service; wrecker and towing.
2 15 b. For the purposes of this subsection, "financial
2 16 institutions" means all national banks, federally chartered
2 17 savings and loan associations, federally chartered savings
2 18 banks, federally chartered credit unions, banks organized

2 19 under chapter 524, savings and loan associations and savings
2 20 banks organized under chapter 534, credit unions organized
2 21 under chapter 533, and all banks, savings banks, credit
2 22 unions, and savings and loan associations chartered or
2 23 otherwise created under the laws of any state and doing
2 24 business in Iowa.

2 25 Sec. 2. REFUNDS. Refunds of taxes, interest, or penalties
2 26 which arise from claims resulting from the amendment of
2 27 section 423.2, subsection 6, in this Act, for the exemption of
2 28 sales of executive search agencies and private employment
2 29 agencies occurring between January 1, 2002, and the effective
2 30 date of this Act, shall be limited to fifty thousand dollars
2 31 in the aggregate and shall not be allowed unless refund claims
2 32 are filed prior to October 1, 2009, notwithstanding any other
2 33 provision of law. If the amount of claims totals more than
2 34 fifty thousand dollars in the aggregate, the department of
2 35 revenue shall prorate the fifty thousand dollars among all
3 1 claimants in relation to the amounts of the claimants' valid
3 2 claims. Claimants shall not be entitled to interest on any
3 3 refunds.

3 4 Sec. 3. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.
3 5 This Act takes effect upon enactment and applies retroactively
3 6 to January 1, 2002.

3 7 EXPLANATION

3 8 This bill relates to the imposition of the sales tax on
3 9 certain enumerated services.

3 10 Currently, the sales tax is imposed on the services
3 11 provided by executive search agencies and private employment
3 12 agencies. The bill exempts such agencies' services from the
3 13 list of enumerated services upon which the sales tax is
3 14 imposed.

3 15 Because the exemptions are retroactive to January 1, 2002,
3 16 the bill provides for refunds of taxes, interest, or penalties
3 17 which arise from claims resulting from the change to exemption
3 18 from taxation of these services. These refunds are limited to
3 19 \$50,000 in the aggregate. Claims for refund must be filed by
3 20 October 1, 2009.

3 21 The bill takes effect upon enactment and applies
3 22 retroactively to January 1, 2002.

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